

Withdrawn

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State Pension changes: bullet points

You can use the key points below to write an article or give a face-to-face update.



Suggested header image:



More information at:
www.gov.uk/yourstatepension



Suggested title:

The new State Pension: what the changes mean for you

Key points:

The new State Pension has been introduced for people who reach State Pension age on or after 6 April 2016.

Who's affected?

- The new State Pension was introduced on 6 April 2016.
- Changes will affect men born on or after 6 April 1951 and women born on or after 6 April 1953.
- You can check when you'll reach State Pension age at www.gov.uk/state-pension-age.

How much will you get?

- If you qualify for the new State Pension you will get at least as much based on your own National Insurance record to 6 April 2016 as you would have received under the old State Pension system, provided you meet the Minimum Qualifying Period of 10 years.
- The amount of new State Pension you get will mainly depend on your past National Insurance record. You'll usually need at least 10 qualifying years on your National Insurance record to get any new State Pension. The full weekly rate of the new State Pension is £155.65 (2016/17)
- Your Starting Amount in the new State Pension could be more than the full rate of the new State Pension if you have not been contracted-out of the additional State Pension for significant periods. You will get the amount above the full rate as a 'Protected Payment'.
- If you have less than the full rate as a Starting Amount you may also be able to boost your future State Pension income by continuing to work and paying National Insurance contributions or adding extra years to your National Insurance record.

State Pension changes: bullet points continued

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Contracting-out

- Around 70 per cent of people have been contracted-out of the additional State Pension during their careers. When the new State Pension was introduced on 6 April 2016, contracting-out ended.
- The qualifying years on your NI contribution record, up to and including the 2015/2016 tax year, are used to work out how much State Pension you would get under the rules of:
 - the new State Pension scheme that started in April 2016, which is based on 1/35th of £151.25 (the full rate of the new State Pension - £155.65 from April 2016) for each qualifying year, up to a maximum of 35 years, and
 - the old State Pension scheme. This has two parts – basic State Pension based on 1/30th of £115.95 (the full rate of the basic State Pension - £119.30 from April 2016) for each qualifying year, up to a maximum of 30 years, and additional State Pension based on earnings.
- A deduction may be made to these amounts for periods you were contracted-out of the additional State Pension before 6 April 2016.
- This is because if you were contracted-out of SERPS or the State Second Pension you either paid National Insurance at a lower rate or some of your National Insurance contributions were used to contribute to a private pension instead of the additional State Pension.

Know the facts

- If you were in a contracted-out pension scheme, ask your employer about how this will affect you. A part of your private pension will reflect the National Insurance contributions you did not pay to the State when contracted-out of the earnings-related State Pension.
- There is more information at www.gov.uk/yourstatepension, where you can:
 - find out your State Pension age;
 - get a personalised State Pension statement.

Make sure you're aware of what the changes mean for you and your retirement.